

Report on the first half year of 2002 of OHB Teledata AG



(covering the period Januar 1 – June 30, 2002)

- Growth spurred by acquisition of OHB System – total revenues up six-fold to over EUR 30 million
- First listed German technology and aerospace company – broader business basis in tandem with substantially more reliable forward visibility
- Aerospace slightly up on forecasts, Telematics falling short of expectations
- SAR Lupe to be Europeanized – key role to be played in Galileo.

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EUR thousand	1/1/2002 – 6/30/2002	1/1/2001 – 6/30/2001
Total revenue	30,560	5,007
EBIT	104	77
EBT	147	340
Employees (as at 6/30/02)	274	53

IAS-based

Bremen, August 19, 2002

New European aerospace and technology company created

The **contribution of OH B System AG** into OH B Teledata AG was **completed** on June 27, 2002 with the entry of the transaction in the companies register. As previously decided, the non-cash capital contribution was effected on a 1-to-1 basis. The Group now incorporates **Aerospace + Security, Telematics and Satellite Operations**. The newly created group is the first German listed company that not only specializes in controlling and monitoring mobile assets all around the world but has also extended and supplemented its value chain to include the development, construction and operation of satellites.

In connection with these changes, Prof. Manfred Fuchs joined OH B Teledata AG's Management Board. Ms. Christa Fuchs resigned from OH B System's AG Management Board and was appointed chairwoman of the Supervisory Board of OH B Teledata AG.

OH B Group's overall situation favorable

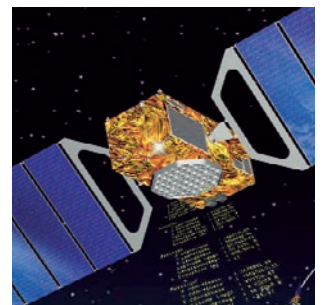
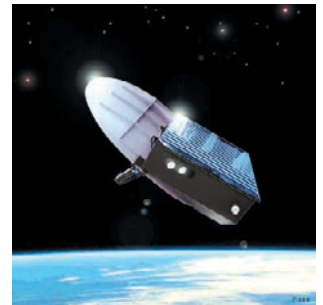
This report covers the two companies OH B Teledata AG and OH B System AG and their subsidiaries, which are consolidated for the first time. Total consolidated revenues contributed by OH B System and OH B Teledata of **EUR 30.56 million** were in line with projections for the first half of 2002. The Company continues to **expect full-year revenues of approx. EUR 75 million**. Whereas **OH B System AG's business outperformed expectations** in the first half of the year, the **Telematics** division's revenues and earnings **fell short of forecasts** on account of protracted spending restraint. Even so, with over 15,000 mobile installations, it was able to improve its market position. OH B Teledata will be positioned strengthened as the technological and market leader once the current consolidation phase is over and spending bounced back.

Dynamic growth and security: Aerospace slightly above expectations

OHB System AG's business has traditionally been dominated by **manned aerospace and satellite projects**. For the most part, it has public-sector customers on its books, although commercial carrier rockets for communication satellites as well as satellites for gathering data on the environment have also been successfully launched since 1990. The Company's activities focus on **developing small satellites**, for which there is the greatest demand. In this segment, **OHB System is the European market leader**. In the **area of manned aerospace**, OHB System was able to strengthen its position as the **No. 2 in the German market** after receiving further orders in connection with the construction and utilization of the ISS international space station. A further **core activity entails European security and reconnaissance solutions**.

OHB System AG benefits from long-term projects for public-sector customers, resulting in **high forward visibility** over an extend period of time. Work on the largest single order at the moment, the **SAR Lupe project**, is proceeding **according to schedule**. In the first six months of the project, the team were assembled and infrastructure was created. Subcontracts were granted and the preliminary design review was successfully agreed upon with the German Federal Office of Defense Technology and Procurement. Other countries have also expressed interest in taking part in the SAP-Lupe reconnaissance project and where necessary ordering additional satellites. The Federal Republic of Germany and France have signed an agreement providing for the development of a **joint European reconnaissance satellite system** based on SAR Lupe and the French Helios system. OHB System will be performing the studies for the technical implementation of these plans on the German side. Interoperability will also be **handled by OHB System** following the completion of the studies at the end of 2003. The second main long-term project, **"European Physiology Modules (EPM)"** for the ISS International Space Station, is also proceeding according to schedule, with the critical design review recently completed successfully. During the period under review, the associated company Cosmos International signed a contract for the launch of a Korean small satellite.

OHB System AG achieved **total revenues of EUR 25.76 million** and **EBIT of 0.55 million** before consolidation in the first half of 2002, thereby **slightly exceeding forecasts**.



Market and technology leader in commercial telematics

Telematics down on expectations

Demand has been dragged down by the prevailing current spending restraint and uncertainty in connection with the planned introduction of a road toll system. However, new inquiries for both products and projects were received from various sectors. This prompts management to assume that the current trend is merely a temporary dent in what is a **long-term expansionary market**. Inquiries were received from such sources as commercial forwarders to public-sector institutions (e.g. telematics equipment for fire brigades and ambulances). **New telematics orders in the plant logistics and waste-management segments** were accepted in the second quarter. As well as this, an order for UMTS solutions for audiovideo monitoring of transportation of money and valuables was gained in connection with an EU project. This could give rise to further applications, e.g. fire brigades, public transport or taxi operators. As a result, the range of commercial telematic applications outside forwarding and logistics is steadily widening. **Total telematics revenues** before consolidation came to **EUR 6.95 million** in the first half, equivalent to an **increase of 39 % over the same period one year earlier**. Other operating income in the Telematics division came to **EUR 0.15 million**. Loss at the **EBIT** level before consolidation came to **EUR 0.39 million**.



Projects

Project services generated revenues of **EUR 3.99 million** in the first half of 2002.

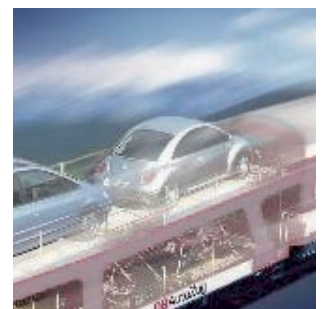
In the public-sector area, a project to equip a unit of the **German border police** with telematic solutions was completed in the period under review. In this project, OH B Teledata AG implemented for the first time a fleet management system which also permits **online tracking of vehicles via CSD** in addition to standard SMS communications. It also marked the successful completion of the first phase aimed at implementing **GPRS and UMTS solutions**.

Products

Total revenues in this segment came to **EUR 2.07 million**. During the period under review, intensive work continued on the further development of the TIPS products. The standardized interface (TIPS connector) now makes it possible to **link many different kinds of logistics software products to TIPS**, constituting a further step towards boosting the appeal of the products for our customers.

Services

Following the **pooling of telematics services for road and rail applications**, the planned synergistic benefits and resultant improvements to efficiency are emerging. Revenues including those generated by the newly positioned Timtec Teldatrans GmbH and Orbcomm Deutschland AG (satellite services) came to



EUR 0.72 million and thus matched expectations.

megatel GmbH is systematically extending its activities. In addition to an order for the production of a web-based company register (COMPAGES), megatel GmbH is also engaged in developing the Berlin yellow pages directory for the Internet including data hosting.

Order books

The Group's order books at the end of the period under review were valued at **EUR 293.5 million**, with the Aerospace and Security division accounting for **EUR 286.0 million**.

General information on financial statements

The first-half report was compiled using the International Accounting Standards (IAS).

OH B Teledata AG's consolidated financial statements include

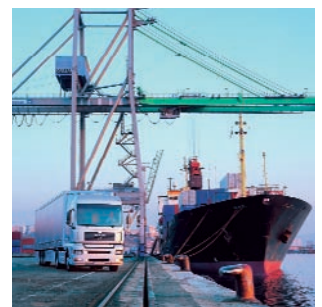
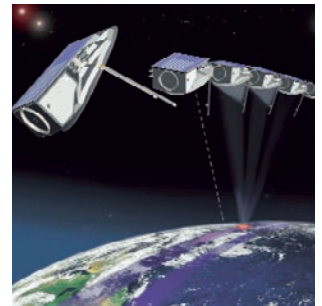
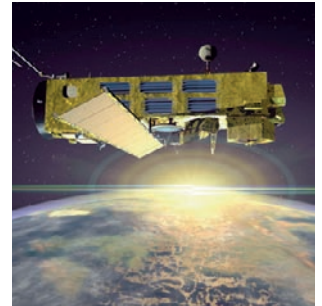
- OH B Teledata AG
- OH B System AG
- megatel Informations- und Kommunikationssysteme GmbH
- Timtec Teldatrans GmbH
- Telematic Solutions SpA
- Orbcomm Deutschland AG

Three companies - OH B System AG, Timtec Teldatrans GmbH und Orbcomm Deutschland AG – were consolidated for the first time with retroactive effect as of January 1, 2002. Related consolidation effects were placed on the books in the second quarter. The impact due to consolidation in respect of the total revenues amounts to EUR 2.15 million.

Hansestar Logistik-Verfolgungssysteme für den Seeverkehr GmbH is still being consolidated at equity. The Group's other investments are carried at their acquisition costs during the year. Net income on investments is not included during the year.

The expenditure of EUR 0.61 million in connection with the non-cash capital increase on June 30, 2002 as well as the goodwill (EUR 3.89 million) and profit carryforward (EUR 2.52 million) of OH B System AG were charged to the Group's share premium with no impact on the income statement.

As of June 30, 2002, the Company's treasury stock comprised 50,000 shares which it had acquired at an average price of EUR 3.85. These shares are carried at their cost of acquisition. Treasury stock is shown separately from the Company's share capital in the balance sheet.



OHB stock substantially outperforming the benchmark index

During the period under review, OHB stock traded between **EUR 4.00 and a peak of EUR 6.20**. At the same time, a strong support line materialized at EUR 4.00 which was impressively confirmed in June and can thus be considered to constitute a classical double base in technical terms.

Following the integration of OHB System AG, OHB Teledata AG has an **equity ratio of 54.6%**. Cash and cash equivalents stand at EUR 1.04 per share, meaning that operating business is valued at EUR 3.16 per share on the basis of a stock price of EUR 4.20. Accordingly, the current **valuation is well below the revenues expected for this fiscal year**.

The stock gained slightly in the first six months of the year. By comparison the reference Nemax All-Share Index lost more than 50%, meaning that OHB stock **outperformed the benchmark by more than 100%**. This shows that market participants are rewarding the Company's high forward visibility as well as the additional potential which will emerge for the new OHB Group in the future. The **issue of additional shares on July 19, 2002** as well as the stock's substantially higher market capitalization are arousing institutional investors' interest.

Employees and capital spending

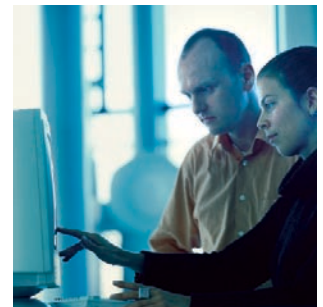
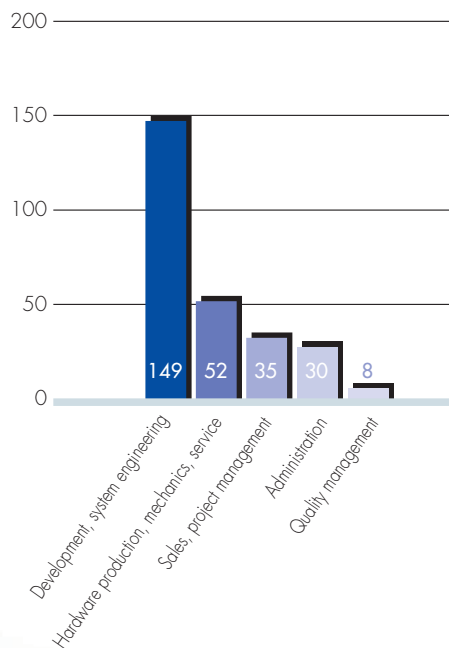
On June 30, 2002, the Group had **274 employees**, up from 53 on June 30, 2001. This substantial increase is due to the integration of OHB System in the new group. At the end of the period, the Aerospace and Security division had 134 employees.

Capital spending came to EUR 6.92 million in the first half of 2002. Of this, the share acquired in OHB System accounted for EUR 3.58 million, i.e. the equivalent to OHB System's subscribed capital.

Personnel structure

as of 6/30/2002

274 Employees



Outlook

The next major challenge facing the new OHB Group is the participation in the **new European "Galileo" navigation satellite system**. This entails in particular a cross-over of the Group's two disciplines - aerospace and telematics. As a result, the OHB Group is ideally poised to make a key contribution in the construction of the system. An agreement has been entered into with the German lead manager of the Galileo syndicate for **OHB System to receive a substantial share**. We expect the SAR Lupe project in particular to boost this division's revenues and earnings substantially in the second half of the year. This is well founded by **significant higher sales volumes and profits** in the second half of the year due to agreed project milestones at year's end and constant fixed costs.

The Company has sufficient overall liquidity to respond flexibly to opportunities for **European expansion** in order to strengthen its position once the telematics market in particular starts to pick up again. In addition to numerous inquiries received over the past few weeks and

months in the Telematics division, the next few weeks will see interesting new projects with strategically important and potent partners. The International Commercial Vehicle Exhibition in Hannover in September is expected to spur interest in and demand for telematics solutions in particular as companies tend to postpone spending ahead of such major exhibitions to wait for the latest technology.

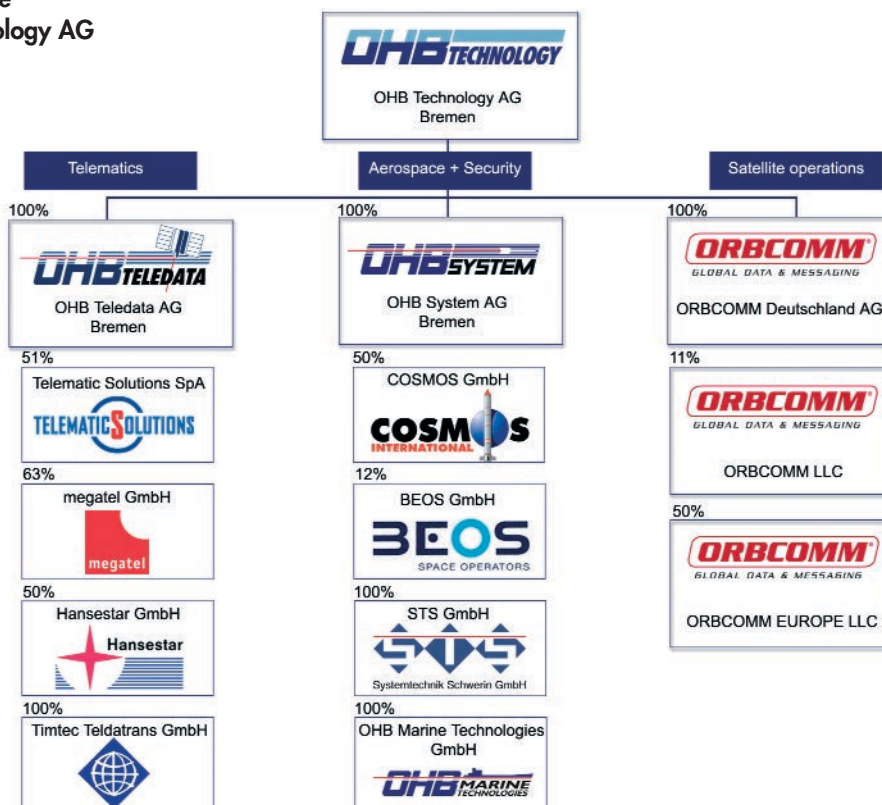
Promising negotiations concerning a strategic extension of the Group in Western Europe are on the verge of finalization.

The **measures** which have been taken **to optimize costs and harness the synergistic benefits** from the integration of OHB System will increasingly unleash **positive effects in the second half of the year**.

In a move aimed at reflecting the future modifications to the Group's structure and skills, OHB Teledata AG will be changing its name to **OHB Technology AG** over the next few months.



Target structure of OHB Technology AG



Balance Sheet
– IAS-based –

ASSETS	6-month-report 6/30/2002 EUR thousand	annual report 12/31/2001 EUR thousand
A. Current assets		
I. Cash and Cash Equivalents	15,465	9,081
II. Short-Term Investments/ Marketable securities	0	0
III. Trade accounts receivable		
1. Trade receivables	16,349	6,382
2. Receivables to shareholders	444	0
3. Receivables to affiliated shareholders	0	6,674
4. Receivables to associated companies	685	0
B. Short-term assets		
I. Inventories		
1. Work in progress	8,676	2,740
2. Finished and unfinished goods	1,962	1,566
C. Prepaid expenses and other current assets		
I. Prepaid expenses	102	18
II. Other assets	3,877	652
Total current assets	47,560	27,113
D. Medium and long-term assets		
I. Property, plant and equipment	3,245	350
II. Intangible assets	5,641	1,490
III. Investments		
Equity interests in associated companies	1,596	1,073
Other investments	1,188	438
E. Goodwill	3,174	1,151
F. Others	67	0
Total assets	62,471	31,615

LIABILITIES AND SHAREHOLDER'S EQUITY	6-month-report 6/30/2002 EUR thousand	annual report 12/31/2001 EUR thousand
A. Current liabilities		
1. Short-term debt and current portion of long-term debt	801	1,028
2. Trade accounts payable	13,216	1,259
3. Liabilities to associated companies	0	0
4. Advance payments received	9,757	187
B. Accruals		
1. Tax accruals	95	34
2. Other accruals	621	299
C. Other current liabilities	2,784	843
D. Others	1	0
Total current liabilities	27,275	3,650
E. Long-term debt, less current portion	708	0
F. Pension accrual	356	0
G. Shareholder's equity		
I. Share capital	14,928	7,464
II. Additional paid-in capital	17,443	19,043
III. Treasury stock	– 193	– 193
IV. Statutory reserves	7	0
V. Profit / loss carry forward	371	49
VI. Net income / loss	121	621
VII. Third party	– 31	– 299
VIII. Accumulated profit / loss	461	371
IX. Third party	1,486	1,280
Total shareholder's equity	34,132	27,965
Total liabilities and shareholder's equity	62,471	31,615

Income Statement
– IAS-based –

	3-month-report II 4/1–6/30/2002 EUR thousand	3-month-report II 4/1–6/30/2001 EUR thousand	6-month-report 1/1–6/30/2002 EUR thousand	6-month-report 1/1–6/30/2001 EUR thousand
Revenues				
of which projects	23,756	1,150	25,611	1,875
of which products	877	537	1,584	1,135
of which services	435	138	723	202
1. Revenues	25,068	1,825	27,918	3,212
2. Other operating income	905	31	918	33
3. Changes in inventories of finished goods and work in progress	– 30	1,150	462	1,584
4. Production for own fixed assets capitalized	1,051	69	1,262	178
Total revenues	26,994	3,075	30,560	5,007
5. Cost of purchased materials and services				
a) Cost of purchased materials	16,384	1,487	17,633	2,408
b) Cost of purchased services	1,496	210	1,663	313
6. Personnel expenses				
a) Wages and salaries	5,181	779	6,433	1,261
b) Social security levies and cost of old-age pensions	915	167	1,184	247
7. Depreciation and amortization	620	42	712	59
8. Other operating expenses	2,260	389	2,831	643
9. Operating income / loss EBIT	139	1	104	77
10. Interest income	8	220	201	275
11. Interest expenditure	137	12	158	12
12. Income from investments and equity interests	0	0	0	0
13. Result before income taxes (and minority interest) EBT	10	209	147	340
14. Income tax	2	25	26	25
15. Extraordinary income / expenses	– 1	0	0	0
16. Result before minority interests	9	184	121	315
17. Minority interests	– 7	0	– 31	0
18. Consolidated net income / loss	2	184	90	315
19. Profit / loss carry forward	459	180	371	49
20. Profit / loss carry forward minority interests	0	12	0	12
21. Accumulated profit / loss	461	376	461	376

DVFA/SG earnings per share amounts to EUR 0.01.

The calculation is based on 14,878,096 shares since the company still holds 50,000 own shares.

Cash Flow Statement
– IAS-based –

	6-month-report 1/1–6/30/2002 EUR thousand	6-month-report 1/1–6/30/2001 EUR thousand
Operating earnings	104	77
Income taxes paid	– 26	25
Depreciation / amortization	712	59
Gross cash flow	790	161
Increase (–) / Decrease (+) in own work capitalized	– 1,262	– 178
Increase (–) / Decrease (+) in inventories	– 6,333	– 3,744
Increase (–) / Decrease (+) in receivables and other assets including deferred items	– 7,815	– 6,415
Increase (+) / Decrease (–) in liabilities and short-term accruals	14,410	1,593
Increase (+) / Decrease (–) in advance payments received	9,570	0
Net cash from operating activities	8,570	– 8,744
Acquisition of medium and long-term assets	– 6,600	– 95
Increase in goodwill	– 2,078	0
Proceeds from the sale of medium and long-term assets	0	0
Interest and other investment income	201	275
Net cash from investing activities	– 8,477	180
Payments from shareholder	5,767	24,150
Payment of equity transaction costs	– 611	– 2,844
Increase in financial liabilities	708	0
Minority interests	– 205	0
Interest and other investment payments	– 158	– 12
Net cash from financing activities	5,501	21,294
Decrease / Increase in cash & cash equivalents	6,384	12,891
Currency translation	0	0
Cash & cash equivalents at beginning of period	9,081	1,857
Cash & cash equivalents at end of period	15,465	14,748

Statement of change in equity
– IAS-based –

	6-month-report 1/1–6/30/2002 EUR thousand
Shareholder's equity January 1st, 2002	27,965
Increase in share capital due to equity transaction	7,464
Netting of equity transaction costs against additional paid-in capital	– 611
Effects of consolidation in particular by netting goodwill and profit carried forward of OHB System AG	– 1,360
Setup of statutory reserves	7
Consolidated net income	461
Minority interests	206
Shareholder's equity June 30th, 2002	34,132

Securities held by management and board members 6/30/2002

	Shares	Options
Christa Fuchs Chairwoman of the Supervisory Board	2,067,291	
Marco R. Fuchs Chairman of the Management Board	404,796	20,000
Prof. Manfred Fuchs Member of the Management Board	3,423,118	
Ulrich Schulz Member of the Management Board	103,281	20,000
Ulrich Wantia Member of the Management Board		20,000



Bremen, August 19, 2002

The Management Board

Calendar of events 2002

November 18 Interim Report on the third quarter

**For more information,
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